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SIPDIS

NSC FOR NENA/SHAPIRO AND KUMAR

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TAGS: [EAID](#) [PREL](#) [KWBG](#) [IS](#)
SUBJECT: AMBASSADOR PRESSES GAZA/WEST BANK ISSUES WITH AMOS
GILAD

Classified By: Ambassador James B. Cunningham; reasons 1.4 b/d.

¶1. (SBU) Ambassador met with Ministry of Defense PolMil Bureau Director Amos Gilad on July 23 to get an update on Gilad's meetings with senior Egyptian officials (septel), to underscore USG support for phase one of the UN Gaza reconstruction plan, to urge continued expansion of the flow of commodities and small business seed-projects into Gaza, to press for shipment of UN/NGO Security equipment into Gaza, and to push for rapid release of spectra for the Wataniya mobile network project.

¶2. (SBU) On the Serry reconstruction plan, the Ambassador reiterated the USG view that phase one was a good, workable idea. He said it was essential for Israel, the Palestinian Authority and the United States to be able to show that positive things were beginning to happen on the ground in Gaza, under the aegis of the PA. Noting Barak Chief-of-Staff Mike Herzog's comment that the UN should start with a single pilot project, the Ambassador once again explained to Gilad that the entire first phase of the Serry plan was the pilot for Gaza reconstruction. He added that there was no practical or political reason to break the first phase into smaller pieces, since it already contained several sub-phases, with some projects ready to resume within weeks, while others would have to be re-tendered and could take two or more months to get up and running. Stressing Washington's interest in moving phase one forward, the Ambassador also pointed out that starting with a range of different types of project would give the GOI more information on what would or would not work from its perspective than would a single project.

¶3. (C) Gilad noted that the GOI had already broadened the list of permissible construction projects and materials imports into Gaza to include all sewage and water projects. He said the USAID proposals for smallholder poultry farms, vegetable gardens and greenhouses should not pose any problems, since similar projects involving honey bees and cut flower exports to the Netherlands were moving forward quietly. Gilad added that the GOI would like to keep these projects low-profile to avoid domestic political pressure over Israeli hostage Gilad Shalit. On security of the crossings in general, Gilad cautioned that Israeli intel had picked up a plot by a group "worse than Hamas" that was aimed at destroying the Erez crossing, using a huge quantity of explosives. This and other security indicators had led the GOI to set up fuel and grain import mechanisms at the Kerem Shalom crossing, eventually closing the less secure Karni and Nahal Oz crossings. On the Serry plan, Gilad said he would be meeting with Serry on July 27, but would have no new messages for him (Note: We have communicated this to Serry's staff. End Note). The Ambassador said the USG understands the Shalit angle and the need to keep things low key. However, we see the current situation in Gaza as inherently unstable and not in either GOI nor USG interest. He again

stressed the need to move forward on the Serry plan, one month after MOD Barak had discussed it with UNSYG Ban Ki Moon and it had been presented to the Quartet.

14. (C) Turning to MOD Barak's commitment to release radio spectra needed for the second Palestinian mobile telephone network (the Wataniya Project), the Ambassador asked when the frequencies would be turned over to the PA. Gilad said he understood the importance of the Wataniya project, noting the money it would bring into the PA coffers and the 3,000 jobs it would create. In fact, said Gilad, this was just the kind of project we should all be supporting, rather than the big industrial zones that brought no immediate economic or political benefit to Salam Fayyad. But he had been unable to secure the agreement of the various Israeli agencies involved. He had made that point to MOD Barak, and the Minister had recently "ordered" all the involved IDF elements to resolve their differences over release of the frequencies and release them without any further discussion. Gilad said it would be a matter of weeks, now that Barak had intervened personally in the matter. (Comment: Gilad then interjected that he had told Fayyad if the Palestinian complaint to the International Criminal Court were not withdrawn, Israeli cooperation with the PA would "deteriorate." It was not clear whether he intended to link the two issues or whether the Wataniya discussion had prompted him to recount his most recent conversation with PM Fayyad. End Comment.)

15. (SBU) The Ambassador asked about our long-standing request to release vehicles, light weapons and bullet-proof glass to support UN and NGO security in Gaza. He stressed the importance of rapid approval of the items requested,

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particularly in light of the recent Hamas threats against UNWRA personnel. Gilad said he supported the request but had found it hard to convince others in the GOI security establishment. He confirmed that two of the three UNWRA vehicles, intended to replace those damaged by Israeli artillery during Operation Cast Lead, had been exported to Gaza, and the third will go in as soon as the damaged vehicle it is replacing has come out. Meanwhile, 10 new vehicles, including six for UNWRA have yet to be approved. (Comment: Gilad's staff tell us that IDF Chief of Staff Gabi Ashkenazi has held up all of these items (including the vehicles) for at least three months now because of objections by Southern Command Commander Galant. Gilad had told us earlier that he shares U.S. concerns, and is trying to overcome IDF objections bit-by-bit. End Comment).

16. (SBU) The Ambassador asked about press reports that MOD has drafted a plan to evacuate all of the illegal outposts in the West Bank at once. Gilad said that the media reports were incorrect and may have been motivated by efforts to stir up the settler extremists. However, he confirmed that the IDF and Border Police have been ordered to come up with plans to evacuate the outposts identified by the GOI as illegal and that training exercises were underway to prepare for such operations.

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